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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

LIVE VENTURES INCORPORATED;
JANONE INC. (f/k/a Appliance Recycling
Centers of America, Inc.); JOHN ISAAC
a/k/a JON ISAAC; KINGSTON
DIVERSIFIED HOLDINGS LLC; and
VIRLAND A. JOHNSON,

Defendants.

Case No. 2:21-cv-01433-JCM-VCF
CONSENT OF JANONE, INC.

1 1. Defendant JanOne, Inc. (“Defendant”) acknowledges having been served with the
2 complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over
3 Defendant and over the subject matter of this action.

4 2. Without admitting or denying the allegations of the complaint (except as provided
5 herein in paragraph 12 and except as to personal and subject matter jurisdiction, which Defendant
6 admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto
7 (the “Final Judgment”) and incorporated by reference herein, which, among other things:

8 (a) permanently restrains and enjoins Defendant from violation of Section 10(b)
9 of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder [15 U.S.C.
10 § 78j(b) and 17 C.F.R. §§ 240.10b-5]; and

11 (c) orders Defendant to pay a civil penalty in the amount of \$250,000 under
12 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

13 3. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment
14 may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley
15 Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall
16 be treated as a penalty paid to the government for all purposes, including all tax purposes. To
17 preserve the deterrent effect of the civil penalty, Defendant agrees that it shall not, after offset or
18 reduction of any award of compensatory damages in any Related Investor Action based on
19 Defendant’s payment of disgorgement in this action, argue that it is entitled to, nor shall it further
20 benefit by, offset or reduction of such compensatory damages award by the amount of any part of
21 Defendant’s payment of a civil penalty in this action (“Penalty Offset”). If the court in any Related
22 Investor Action grants such a Penalty Offset, Defendant agrees that it shall, within 30 days after
23 entry of a final order granting the Penalty Offset, notify the Commission’s counsel in this action and
24 pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
25 Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not
26 be deemed to change the amount of the civil penalty imposed in this action. For purposes of this
27 paragraph, a “Related Investor Action” means a private damages action brought against Defendant
28 by or on behalf of one or more investors based on substantially the same facts as alleged in the

1 Complaint in this action.

2 4. Defendant agrees that it shall not seek or accept, directly or indirectly,
3 reimbursement or indemnification from any source, including but not limited to payment made
4 pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays
5 pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are
6 added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees
7 that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal,
8 state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment,
9 regardless of whether such penalty amounts or any part thereof are added to a distribution fund or
10 otherwise used for the benefit of investors.

11 5. Defendant waives the entry of findings of fact and conclusions of law pursuant to
12 Rule 52 of the Federal Rules of Civil Procedure.

13 6. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the
14 Final Judgment.

15 7. Defendant enters into this Consent voluntarily and represents that no threats, offers,
16 promises, or inducements of any kind have been made by the Commission or any member, officer,
17 employee, agent, or representative of the Commission to induce Defendant to enter into this
18 Consent.

19 8. Defendant agrees that this Consent shall be incorporated into the Final Judgment
20 with the same force and effect as if fully set forth therein.

21 9. Defendant will not oppose the enforcement of the Final Judgment on the ground, if
22 any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and
23 hereby waives any objection based thereon.

24 10. Defendant waives service of the Final Judgment and agrees that entry of the Final
25 Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of
26 its terms and conditions. Defendant further agrees to provide counsel for the Commission, within
27 thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or
28 declaration stating that Defendant has received and read a copy of the Final Judgment.

1 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted
2 against Defendant in this civil proceeding. Defendant acknowledges that no promise or
3 representation has been made by the Commission or any member, officer, employee, agent, or
4 representative of the Commission with regard to any criminal liability that may have arisen or may
5 arise from the facts underlying this action or immunity from any such criminal liability. Defendant
6 waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the
7 imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's
8 entry of a permanent injunction may have collateral consequences under federal or state law and the
9 rules and regulations of self-regulatory organizations, licensing boards, and other regulatory
10 organizations. Such collateral consequences include, but are not limited to, a statutory
11 disqualification with respect to membership or participation in, or association with a member of, a
12 self-regulatory organization. This statutory disqualification has consequences that are separate from
13 any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding
14 before the Commission based on the entry of the injunction in this action, Defendant understands
15 that it shall not be permitted to contest the factual allegations of the complaint in this action.

16 12. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e),
17 which provides in part that it is the Commission's policy "not to permit a defendant or respondent to
18 consent to a judgment or order that imposes a sanction while denying the allegations in the
19 complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial,
20 unless the defendant or respondent states that he neither admits nor denies the allegations." As part
21 of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not
22 take any action or make or permit to be made any public statement denying, directly or indirectly,
23 any allegation in the complaint or creating the impression that the complaint is without factual
24 basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does
25 not admit the allegations of the complaint, or that this Consent contains no admission of the
26 allegations, without also stating that Defendant does not deny the allegations; and (iii) upon the
27 filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that
28 they deny any allegation in the complaint. Nothing in this paragraph affects Defendant's: (i)

1 testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal
2 proceedings in which the Commission is not a party.

3 13. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small
4 Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from
5 the United States, or any agency, or any official of the United States acting in his or her official
6 capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs
7 expended by Defendant to defend against this action. For these purposes, Defendant agrees that
8 Defendant is not the prevailing party in this action since the parties have reached a good faith
9 settlement.

10 14. In connection with this action and any related judicial or administrative proceeding
11 or investigation commenced by the Commission or to which the Commission is a party, Defendant
12 (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff
13 requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices
14 or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or
15 trials, or in connection with any related investigation by Commission staff; (iii) with respect to such
16 notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal
17 Rules of Civil Procedure and any applicable local rules, provided that the party requesting the
18 testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S.
19 Government per diem rates; and (iv) consents to personal jurisdiction over Defendant in any United
20 States District Court for purposes of enforcing any such subpoena.

21 15. Defendant agrees that the Commission may present the Final Judgment to the Court
22 for signature and entry without further notice.

23 16. Defendant agrees that this Court shall retain jurisdiction over this matter for the
24 purpose of enforcing the terms of the Final Judgment.

25 JanOne, Inc.

26 By: 

27 Antonios "Tony" Isaac
28 Chief Executive Officer

[Address] 325 E. WARM SPRINGS RD.
4 STE 102, LAS VEGAS, NV 89119

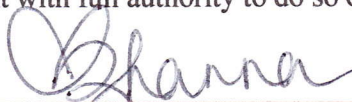
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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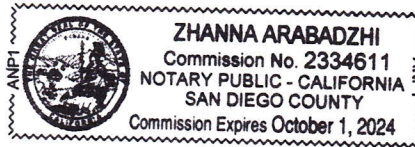
(AI)

JANUARY 4

On December 10, 2023, Tony Isaac, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of JanOne, Inc. as its Chief Executive Officer.



Notary Public
Commission expires: 10/01/2024



PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE SEC,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On April 22, 2024, I caused to be served the document entitled **CONSENT OF JANONE, INC.** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

☐ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☒ **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: April 22, 2024

/s/ Lynn M. Dean

Lynn M. Dean

SEC v. Live Ventures Incorporated, et al.
United States District Court – District of Nevada
Case No. 2:21-cv-01433-JCM-MDC

SERVICE LIST

Brent R. Baker (*Pro Hac Vice Application Forthcoming*) (served via CM/ECF)

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